



STATE OF IOWA

CHESTER J. CULVER, GOVERNOR
PATTY JUDGE, LT. GOVERNOR

DEPARTMENT OF EDUCATION
JUDY A. JEFFREY, DIRECTOR



DATE: April 7, 2009

TO: Iowa K-12 Public School Administrators

FROM: Judy Jeffrey, Iowa Department of Education Director

SUBJECT: The American Recovery and Reinvestment Act of 2009 Update

The Iowa Department of Education received several important documents from the U.S. Department of Education (USDE) Wednesday, April 1 on how federal American Recovery and Reinvestment Act (ARRA) of 2009 funds shall be used. The U.S. Department of Education guidance may be viewed [here](http://www.ed.gov/news/pressreleases/2009/04/04012009.html) (<http://www.ed.gov/news/pressreleases/2009/04/04012009.html>).

The education portion of the ARRA designates federal funds for specific categories. Iowa will be receiving the following total amounts of money under ARRA.

IDEA, Part B	\$122,095,134
IDEA, Part B Preschool	\$4,141,398
IDEA, Part C	\$3,871,018
Title I	\$51,638,795
Title I, School Improvement	\$15,685,000
Education Technology	\$3,376,407

State Stabilization – Education	\$386,374,000
State Stabilization – Government Services	\$85,966,000

School Lunch Equipment	\$823,633
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IDEA, Title I, Education Technology Funds

IDEA, Title I, and Education Technology funds will be distributed through the regular federal and state allocation formulas.

The Iowa Department of Education established a team of consultants to work on ARRA guidance, distribution, and reporting requirements. The team has reviewed the federal documents and is preparing Iowa-specific guidance regarding IDEA and Title I to properly distribute funds to schools as quickly as possible.

The team is calculating individual school distribution amounts for IDEA and Title I based on established distribution formulas. Iowa school districts will be notified when individual school distribution amounts are posted. The team action plan is to start distributing the first round of Title I and IDEA funds yet this spring.

Education Technology funds will be posted and available at a later date.

State Stabilization Funds for Education

The decision on the distribution of State Fiscal Stabilization Funds is made by the Governor and approved by the legislature as part of the overall state budget.

The Governor released his revised budget recommendations on Friday, April 3. The recommendations can be viewed [here](http://www.dom.state.ia.us/state/budget/FY10_Gov_Rec.html) (http://www.dom.state.ia.us/state/budget/FY10_Gov_Rec.html). This includes proposals for American Recovery and Reinvestment Act (ARRA) of 2009 funds.

The USDE has posted the final application form that Governors must submit to the USDE in order to receive State Fiscal Stabilization Funds. Governor Chet Culver must submit the application, which also includes information from other state agencies. The Iowa Department of Education has been working with the Governor's office collecting information and preparing data that we knew or anticipated would be part of the application requirements.

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The state budget will have to be completed before the State Fiscal Stabilization Funds application can be forwarded to the federal government. The USDE has stated that the turnaround for approval of the state's application will occur quickly. It is anticipated that the stabilization funds will then be distributed through the regular K-12 state funding mechanism.

Currently the USDE guidance states that local education agencies (LEAs) will have to apply to the state for the fiscal stabilization funds. These are the funds for which the amounts for education must be determined by the Governor and legislature. If this LEA application must be made to the state the Iowa Department of Education will provide an electronic process that will be timely and efficient. Please know that we will provide you with information regarding the progress of stabilization funds application just as soon as possible.

Reporting and Accounting

The Iowa Department of Education will provide information on the appropriate expenditures of ARRA funds when specific district allocations are available. This information should be followed carefully by a school district.

It is clear that any educational agency receiving ARRA funds will have to report on the uses and expenditures of *any and all* ARRA funds. This will be in addition to the regular state reporting mechanisms used by the department.

These funds have specific, detailed accounting and reporting requirements with which districts must comply. The department is working to develop and coordinate reporting mechanisms based on federal requirements.

School Food Service Equipment Assistance Grants

The Iowa Department of Education is in the process of developing the grant application documents for School Food Service Equipment Assistance Grants. We anticipate requests for grant applications to be distributed before the end of April. Please visit [here](http://www.iowa.gov/educate/index.php?option=com_docman&task=doc_download&gid=6758) (http://www.iowa.gov/educate/index.php?option=com_docman&task=doc_download&gid=6758) for more information.

Competitive Grant Funds

In addition to the funds listed above, the ARRA also includes competitive grant funds. The "Race to the Top" funds provides a total of \$5 billion in competitive grants, which will be awarded to states that are most aggressively pursuing reforms. In order to ensure that Recovery Act funds are driving classroom improvements, states competing for Race to the Top funds will be judged on how well they are using the first round of stabilization and Title I funds to advance education reforms. It is anticipated that the funds will not be distributed to several small projects in states, but large multi-state initiatives that can be replicated nationwide.

RESOURCES:

Please know the department is working hard to provide Iowa schools with needed stimulus funding. In addition to providing information via email, the department is posting information on its Stimulus Package Information - American Recovery and Reinvestment Act (ARRA) webpage.

The department is also working on scheduling Iowa Communication Network sessions to better acquaint you with fund uses and reporting requirements. Information about these sessions will be provided at a later date.

Here are important Websites for your reference:

- Iowa Department of Education Stimulus Package Information: http://www.iowa.gov/educate/index.php?option=com_content&task=view&id=1731&Itemid=1
- The U.S. Department of Education ARRA Guidance: <http://www.ed.gov/news/pressreleases/2009/04/04012009.html>
- Governor Chet Culver's Revised Budget Recommendations: http://www.dom.state.ia.us/state/budget/FY10_Gov_Rec.html